

## Message Text

UNCLASSIFIED

PAGE 01 TOKYO 00731 180600Z  
ACTION ITC-01

INFO OCT-01 EA-09 ISO-00 EB-07 COME-00 TRSE-00 STR-04 H-02  
/024 W

-----180603Z 074866 /21

R 180551Z JAN 77  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 4810

UNCLAS TOKYO 0731

E.O. 11652:F

N/A

TAGS: ETRD, JA

SUBJECT: ASSISTANCE TO SEMICONDUCTOR AND SUBSIDIARY ELECTRONIC WATCH  
INDUSTRY BY FOREIGN GOVERNMENTS

REF. STATE 003896

1. GOJ HAS PROVIDED NO TECHNOLOGICAL OR FINANCIAL ASSISTANCE SPECIFICALLY TO MANUFACTURES OF ELECTRONIC WATCHES. GOJ DID PROVIDE, HOWEVER, RESEARCH SUBSIDIES TO SEMICONDUCTOR INDUSTRY AND IS CONTINUING TO PROVIDE RESEARCH SUBSIDIES FOR DEVELOPMENT OF VERY LARGE-SCALE INTEGRATED CIRCUITS. DETAILS OF THESE TWO PROGRAMS ARE AS FOLLOWS:

-- SEMINCONDUCTOR PROGRAM: FINANCIAL ASSISTANCE WAS GIVEN IN JAPANES  
E

FISCAL YEAR 1973-1974 (APRIL 1, 1973-MARCH 31, 1975) IN ORDER TO RAISE TECHNOLOGICAL LEVEL OF JAPANESE-MADE SEMICONDUCTORS PRIOR TO REMOVAL OF IMPORT RESTRICTIONS AND LIBERALIZATION OF FOREIGN INVESTMENT IN 1975; PROGRAM WAS UNDER CONTROL OF MITI AND MOF; SUBSIDY IN JFY73 WAS 6.25 MILLION DOLS AND IN JFY74 WAS 6.19 MILLION DOLS, FOR TOTAL 12.44 MILLION DOLS.

-- VERY LARGE SCALE INTEGRATED CIRCUIT (VLSI) PROGRAM: FINANCIAL ASSISTANCE BEGAN IN JFY 1976 AND WILL CONTINUE THROUGH JFY 1979 (MARCH 31, 1980); PURPOSE OF PROGRAM IS TO DEVELOP VLSI'S FOR USE IN NEXT GENERATION OF COMPUTERS; PROGRAM IS UNDER MITI/MOF CONTROL;  
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SUBSIDY IN JFY76 WAS 12 MILLION DOLS AND IN JFY77 WILL BE 31.2 MILLION DOLS; TOTAL PLANNED APPROPRIATION FOR FOUR-YEAR PROGRAM IS 102.7 MILLION DOLS.

2. WATCH INDUSTRY SOURCES TOLD EMBASSY THAT SEIKO MANUFACTURERS 60-70 PERCENT OF IC'S USED IN ITS ELECTRONIC WATCHES, BUT ALL OTHER WATCH MANUFACTURERS BUY FROM SEMICONDUCTOR MANUFACTURERS.

SEIKO DID NOT PARTICIPATE IN GOJ SEMICONDUCTOR PROGRAM.  
HODGSON

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** TRADE PROTECTIONISM, INVESTIGATIONS, WATCHES  
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**To:** STATE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009